

RADIO BROADCASTING TO CUBA ACT

JUNE 21 (legislative day, JUNE 20), 1983.—Ordered to be printed

Mr. PERCY, from the Committee on Foreign Relations,
submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 602]

The Committee on Foreign Relations, to which was referred the bill (S. 602) to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE AND SUMMARY OF THE BILL

The principal purposes of S. 602, as amended, are to further the communication of accurate information and ideas to the people of Cuba by establishing the authority of the Board for International Broadcasting to provide for radio broadcasting to Cuba. The bill also—

(1) grants the Board for International Broadcasting authority to make grants, lease or to contract with a separate entity to carry out broadcasting to Cuba;

(2) requires that radio broadcasting to Cuba serve as a "consistently reliable and authoritative source of accurate, objective and comprehensive news";

(3) provides that any broadcasting to Cuba under the Act that is not conducted by means of leasing time on commercial or non-commercial educational radio broadcasting stations be limited to

the Voice of America frequency used for broadcastings from Voice of America facilities at Marathon, Florida;

(4) authorizes other agencies of the U.S. Government to provide assistance to radio broadcasting to Cuba at the request of the Board for International Broadcasting on a fully reimbursable basis; and

(5) requires that the Board of Directors of any corporation established to provide radio broadcasting to Cuba and the members of the Board of International Broadcasting be the same individuals.

LEGISLATIVE BACKGROUND AND COMMITTEE ACTION

On September 22, 1981, President Reagan issued Executive Order 12323 creating a Presidential Commission to "develop recommendations with respect to broadcasting of information and ideas to Cuba." On announcing the establishment of the Commission, National Security Adviser Richard V. Allen read a statement on behalf of the President:

The truth about the costs borne by the Cuban people as a result of their government's grandiose international involvement and repression of basic human rights has been shrouded in lies and half-truths. The truth about underdevelopment and mismanagement despite massive Soviet subsidies and direction of the economy is not known in Cuba.

Cubans, like all peoples, yearn for the truth. Even Cuba's leaders rely on the Western press and wire services, the Voice of America, and BBC for factual unbiased information about the world they live in. But these sources, because they cover events around the world, cannot satisfy the Cuban people's thirst for reliable information about their own country.

This Administration has decided to break the Cuban Government's control of information in Cuba. It will do this by supporting establishments of Radio Broadcasting to Cuba. In Spanish, it will be called Radio Marti, after Jose Marti, the father of Cuban independence. This radio service will tell the truth to the Cuban people about their Government's domestic mismanagement and its promotion of subversion and international terrorism in this Hemisphere and elsewhere. It will tell the Cuban people what these activities cost in terms of living standards for them and their children and will correct the false image they have been given of Cuba's international reputation....

Legislation authorizing appropriations for fiscal year 1982 and fiscal year 1983 for Radio Broadcasting to Cuba, Inc., was introduced in the Senate (S. 1853) on November 16, 1981, and in the House of Representatives (H.R. 5427) on February 2, 1982.

H.R. 5427 was amended on April 2, 1982, by the House Foreign Affairs Committee to include language authorizing the Board for In-

ternational Broadcasting to make payments on a discretionary basis to the U.S. radio and television broadcasting station licensees to compensate them for expenses which they might incur in mitigating Cuban interference with the transmission or reception of broadcasting under those licenses. H.R. 5427 was then referred to the House Committee on Energy and Commerce.

On May 25, 1982, the Committee on Foreign Relations received an 11-page interim report from the Presidential Commission on Broadcasting to Cuba. The report endorsed the concept of radio broadcasting to Cuba, considered "Radio Marti" an appropriate name, supported the use of the 1040 kHz AM frequency, and proposed budget figures of \$10 million in fiscal year 1982 and \$7,700,000 in fiscal year 1983.

On July 1, 1982, the Committee on Foreign Relations held a hearing to consider legislation creating Radio Marti. The following individuals testified on that date: (1) The Honorable Charles E. Grassley (R-Iowa); (2) The Honorable Thomas O. Enders, Assistant Secretary for Inter-American Affairs, Department of State; (3) The Honorable Fred C. Ikle, Under Secretary for Policy, Department of Defense; (4) Mr. Kalmann Schaefer, Assistant to the Chairman for International Communications, Federal Communications Commission; (5) Mr. F. Clifton White, Chairman, Presidential Commission on Broadcasting to Cuba; and (6) The Honorable Richard Stone, Member, Executive Committee, Presidential Commission on Broadcasting to Cuba.

On July 13, 1982, the House Committee on Energy and Commerce reported H.R. 5427 with an amendment which would require the Administration to take into account four criteria designed to protect commercial U.S. AM broadcasters.

On July 27, 1982, the Committee on Foreign Relations held another hearing to hear testimony from the following individuals: (1) The Honorable Roger W. Jepsen (R-Iowa); (2) Robert G. Engelhardt, Vice President, Palmer Communications, Inc., Des Moines, Iowa; (3) James R. Eddens, Vice President and General Manager, WOW Radio Station, Omaha, Nebraska; (4) Cy N. Bahakel, Jr., Director of Radio Operations, Bahakel Communications, Charlotte, North Carolina (representing KXEL of Waterloo, Iowa, and WDOD of Chattanooga, Tennessee); (5) John B. Summers, Executive Vice President and General Manager, National Association of Broadcasters, Washington, D.C.; (6) Matthew L. Leibowitz, Special Counsel, The Florida Association of Broadcasters, Miami, Florida; (7) Dorothy Dillon, Former Assistant Director for Latin America, USIA, Washington, D.C.; (8) Philip Nicholaides, Former Deputy Director for Commentary and Analysis, Voice of America, Washington, D.C.; (9) John S. Nichols, Assistant Professor of Journalism, Penn State University; (10) Col. Samuel T. Dickens, Counsel, Inter-American Security and New World Dynamics, Washington, D.C.; (11) Manuel Gomez, President, Cuban-American Committee for the Normalization of Relations with Cuba, Woodside, New York; and (12) Frank Calzon, Executive Director, The Cuban-American National Foundation, Washington, D.C.

On August 10, the House of Representatives amended and passed H.R. 5427 by a vote of 250 to 134.

On August 17, 1982, the Committee on Foreign Relations received the Presidential Commission's final report, reiterating and expanding the points made in the interim report of May.

On August 19, 1982, the Committee on Foreign Relations concluded its hearings on the Radio Marti issue, receiving the testimony of: (1) The Honorable Roger W. Jepsen (R-Iowa); (2) The Honorable Charles E. Grassley (R-Iowa), accompanied by Kenneth D. Saloman, Esq., Dow Lohnes and Albertson, Washington, D.C., and Kenneth Cunningham of his staff; (3) The Honorable Paula Hawkins (R-Florida); (4) The Honorable Richard Stone, Member, Executive Committee, Presidential Commission on Broadcasting to Cuba; and (5) Wayne Smith, Former Head, U.S. Interests Section, Havana, Cuba.

The Committee on Foreign Relations undertook final consideration of H.R. 5427 on August 20 and September 9, 1982. The bill, as amended, was ordered to be reported favorably to the Senate by a record vote of 11 to 5. Those voting yea were Senators Percy, Baker, Helms, Hayakawa, Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Glenn, and Sarbanes, Senators Pell, Zorinsky, Tsongas, Cranston, and Dodd voted nay.

On December 6, 1982, the Senate considered a motion (S. Res. 480) to waive section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of H.R. 5427. The resolution was debated at length on December 6, 7, 8 and 9. However, debate could not be concluded before the close of the 97th Congress.

New legislation authorizing implementation of radio broadcasting to Cuba was introduced in the 98th Congress. On February 24, 1983, Senator Hawkins introduced S. 602, authorizing the Board for International Broadcasting to provide Federal funding for radio broadcasting to Cuba, and the bill was referred to the Committee on Foreign Relations. On March 3, 1983, the Administration introduced identical legislation in the Senate and the House of Representatives. S. 659, the Senate version, was also referred to the Committee on Foreign Relations. The new legislation concerning radio broadcasting to Cuba reflected further discussions between the Administration and the broadcasting industry concerning the use of the nongovernment commercial AM frequency band and the possibilities of Cuban Government retaliatory interference with U.S. AM broadcasting to Cuba programs on the commercial AM band. The revised legislation provides authority to the Board for International Broadcasting to take such actions as necessary to implement radio broadcasting to Cuba by means of leases, grants, or contracts with licensees of the commercial AM frequency band and made available the frequency and facilities used by the Voice of America for broadcasting to Cuba from Marathon, Florida. In addition, the bill authorized other agencies of the United States to provide, sell, loan, lease or grant property and perform technical and administrative support and services to the Board, upon its request and on a reimbursable basis. The bill also provided for grants to be made under the Act to a corporation, the board of directors of which must consist of the same members as the Board of Directors of the Board for International Broadcasting.

The Committee on Foreign Relations conducted hearings on the proposed Radio Broadcasting to Cuba Act on April 27, 1983. The fol-

lowing individuals provided testimony: The Honorable Charles E. Grassley (R-Iowa); The Honorable Lawton Chiles (D-Florida); The Honorable Paula Hawkins (R-Florida); The Honorable Thomas O. Enders, Assistant Secretary for Inter-American Affairs, Department of State; Dr. Wayne Smith, Senior Associate, Carnegie Endowment and Former Head of the U.S. Interests Section, Havana, Cuba; Edward O. Fritts, President, National Association of Broadcasters; F. F. Mike Lynch, Empire Broadcasting, Inc., KFDI AM-FM, Wichita, Kansas; Matthew Liebowitz, General Counsel, Florida Association of Broadcasters and Special Counsel for the South Florida Radio Broadcasters Association; Wayne Hudson, President, Plough Broadcasting, Inc., Memphis, Tennessee; and Robert Engelhardt, Vice President, Palmer Communications, Inc., Des Moines, Iowa.

On June 8, 1983, the Committee met for final consideration of S. 602/S. 659. During the mark-up, amendments were offered by Senators Pell, Zorinsky, Percy (for Senator Hawkins) and Biden. Senator Pell's amendment, identical to the one he offered last year, would have expanded Voice of America broadcasting time to accommodate additional hours of broadcasting to Cuba. Senator Zorinsky modified Senator Pell's measure by introducing a compromise amendment which would have directed the United States Information Agency to create a "Cuba Service" within the Voice of America. The Cuba Service would be responsible for all broadcasting to Cuba. Senator Zorinsky's amendment also provided that the facilities of the Voice of America at Marathon, Florida, and the frequency used by the Voice of America for broadcasting to Cuba from those facilities would be dedicated to the Cuba Service, and for establishing a separate Radio Broadcasting to Cuba Board that would advise the Director of VOA and the Director of the Cuba service on the activities and program of the Cuba Service. The Committee rejected adoption of the Zorinsky amendment by a record vote of 8 to 9 (Senators Pell, Biden, Zorinsky, Tsongas, Cranston, Dodd, Pressler and Kassebaum voted yea; Senators Percy, Baker, Helms, Lugar, Mathias, Boschwitz, Murkowski, Glenn and Sarbanes voted nay).

The Committee also rejected an amendment by Senator Biden that would have provided for compensation equal to economic loss incurred to any United States radio and television broadcasting licensee that suffered loss of advertising or other revenue as a result of Cuban interference with its broadcasting if average daily interference could be established to be greater than the average daily interference of the 12 months prior to beginning broadcasting to Cuba as proposed in S. 602. A similar amendment had been offered by Senator Tsongas during Committee consideration of H.R. 5427. The record vote on the Biden amendment was 7 to 7 (Senators Pell, Biden, Sarbanes, Zorinsky, Tsongas, Cranston and Dodd voted yea; Senators Percy, Baker, Helms, Lugar, Boschwitz, Pressler and Murkowski voted nay).

The Committee initially rejected, by voice vote, an amendment introduced by Senator Percy on behalf of Senator Hawkins to provide for compensation of U.S. broadcasters for expenses incurred in mitigating Cuban Government radio interference with U.S. commercial AM broadcasts that occurred as a direct result of radio broadcasting to Cuba undertaken pursuant to authorities provided in S. 602. However, following discussion of the Biden amendment, Senator

Boschwitz moved to reconsider the Hawkins amendment. The motion to reconsider was adopted by a record vote of 10 to 3 (Senators Percy, Baker, Boschwitz, Pressler, Pell, Biden, Sarbanes, Tsongas, Cranston and Dodd voting yea; Senators Helms, Lugar and Murkowski voting nay; and Senator Zorinsky present). The Hawkins amendment providing for facility compensation then passed on a record vote of 10 to 3 (Senators Percy, Baker, Boschwitz, Pressler, Pell, Biden, Sarbanes, Tsongas, Cranston and Dodd voting yea; Senators Helms, Lugar and Murkowski voting nay; and Senator Zorinsky present). In introducing the Hawkins amendment, Senator Percy indicated he believed there should be a specific expiration date for the compensation facility and that he introduced the amendment with the understanding that such a specific expiration date be established as four years following the initial broadcast of programs envisioned under the Radio Broadcasting to Cuba Act. The Committee agreed to this change in the amendment language.

The Committee then voted 13 to 4 to report out only S. 602, as amended, with the understanding that S. 659, also referred to the Committee, was identical to S. 602, with the latter initially introduced by Senator Hawkins who had taken a leadership role in supporting the radio broadcasting to Cuba concept. The record vote included Senators Percy, Baker, Helms, Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Biden, Glenn, Sarbanes, and Dodd voting yea; Senators Pell, Zorinsky, Tsongas and Cranston voting nay. In voting to report S. 602, Senator Biden noted that he would consider offering his amendment again during final consideration of the bill in the full Senate.

The Committee also voted by voice vote to report simultaneously with S. 602 the appropriate budget waiver as required under section 402(a) of the Congressional Budget Act of 1974.

NEED FOR RADIO BROADCASTING TO CUBA

In its final report issued on August 17, 1982, the Presidential Commission on Broadcasting to Cuba stated the following:

For decades the United States has found radio the most effective means at its disposal to provide the truth to the peoples of the Soviet Union and Eastern Europe. Radio Free Europe and Radio Liberty have proven their worth in this effort. Yet in Cuba itself, Communist propaganda has no similar competition and there is no alternative view of the Castro government and its actions. Radio broadcasting aimed specifically at Cuba would provide such alternative views.

Communism well understands the power of ideas and devotes enormous resources to propagating its ideology and view of events with considerable emphasis on radio broadcasting aimed at specific countries. The Soviet Union outspends the United States by 7 to 1 in the area of international broadcasting and information. The Soviet Union and its Caribbean client, Cuba, outbroadcast the United States in Latin America by a ratio of 5 to 1 in terms of hours on the

air. Radio Moscow is retransmitted to Latin America from Cuba, and Cuban radio propaganda echoes Radio Moscow themes. Cuba alone broadcasts 280 hours a week to Latin America and the Caribbean. The United States even lags behind some of its Western allies in broadcast hours around the world, but especially in the Caribbean, an area of strategic concern to the United States.

Some critics have questioned whether Radio Marti would find an audience among the Cuban people, claiming that the Cuban population is largely antagonistic toward the United States. Statements by Cuban officials, including several by President Castro, indicate that the Castro government is very concerned about the effect Radio Marti could have on the Cuban people. This suggests that the Cuban people, and especially the young (44 percent are under 20, 66 percent are under 35), may be a more receptive audience than those critics are willing to admit. Other critics argue that any news from a U.S. Government source is suspect in Cuba. Yet, Cuban officials themselves readily admit to listening to the VOA because it is comprehensive and accurate.

Other critics have suggested that Cuba is a more open society than generally believed, that that range of information available in Cuba may be greater than recognized, and that there is wider political participation and greater freedom of expression than assumed. But, according to several Cuban analysts, the recent increase in mass organizations, the Mariel exodus, the ascendancy of hardliners among top-level decision-makers, and the implementation of a new, tougher penal code in November 1979 are all evidence of a decreased liberalization of Cuban society since early 1980. The "Country Reports on Human Rights Practices" submitted to Congress under this Administration and the last document how little free expression and political freedom exists in Cuba.

According to the 1979 Human Rights Report, "all political, economic, social, and cultural activities are under close control of the Communist Party. No political opposition is allowed. The press is owned and controlled by the Party apparatus. Freedom of speech is severely circumscribed." The 1979 Inter-American Human Rights Commission Report on Cuba noted that "the legal system in Cuba prevents free expression and any expression of disagreement with the socialist system. There are individuals who are in prison for the mere fact of having expressed their opposition to the system." According to the 1981 Human Rights Report, "All group activities in Cuba are controlled and monitored by the Communist Party and political block committees." While Radio Marti can do little about the limited outlets for expansion in Cuba, it can significantly increase the availability of information to the Cuban people. Like RFE and RL at the begin-

ning, Radio Marti will need to carefully establish its credibility and earn its audience. Whether people live in Gdansk or Havana, those in a closed society thirst for more information.

Artistic autonomy does not exist in Cuba. Infringement of intellectual freedom is accomplished through a Cuban form of "social realism" which punishes by law any "ideological deviation." Writers, filmmakers, educators and artists face the choice of conforming, departing or facing imprisonment. The large number of Cuban intellectuals resident abroad testifies to this fact. No dissent is tolerated. Likewise, while the press in Cuba may not always cover events in the same manner, story lines are predetermined and criticism of the Revolution or national issues is not permitted. American newsmen and others who have visited Cuba report that there is no non-Communist printed material available to the public.

The Communist Party is the only legal party. "Citizens have some limited participation in discussion of local issues such as transportation, sanitation, and crime prevention, but only at the local level." (1980 Human Rights Report.) But there is no serious debate of national issues. These are precisely the issues which Radio Marti will try to cover.

The Inter-American Press Association (IAPA) at its 37th General Assembly in Rio de Janeiro in October 1981 resolved "to encourage free journalists of the continent, especially IAPA members, to make every effort to bring about the end of the news blackout for the people of Cuba, and support any means that would help achieve that objective."

For these reasons, the Commission believes there is a need for Radio Marti.

In approving S. 602, as amended, the Committee endorses the rationale put forth above by the Presidential Commission.

FREQUENCY SELECTION ISSUE

Prior to the introduction of radio broadcasting to Cuba legislation in 1981, the Administration selected, without public knowledge or participation, 1040 kHz, an AM frequency in the commercial, nongovernment broadcast band that had been previously assigned to Des Moines, Iowa, clear channel radio station WHO. Committee hearings established that the criteria used in selecting 1040 kHz for broadcasts to Cuba had been inadequate. They had failed to take into account the domestic impact of Cuban retaliation on commercial stations operating either in the same broadcast band or on the same frequency as the proposed radio broadcasts to Cuba. Moreover, they did not evaluate the likelihood of the radio broadcasts' message reaching Cuban people if broadcast on the 1040 kHz frequency. Cuba has proposed operating a 500,000 watt station on 1040 kHz.

On August 16, Senators Grassley and Jepsen cosponsored an amendment to H.R. 5427 designed to protect U.S. AM broadcasters from interference caused by Cuban jamming of Radio Marti. The amendment would have restricted Radio Marti to any or all of the

following frequency options: (1) shortwave; (2) VOA's Radio Marathon frequency; (3) commercial AM stations which agree to lease broadcast time; and (4) any medium wave off-band AM frequency.

At the August 1982 hearing and mark-up, the Administration proposed a substitute for the Grassley-Jepsen amendment. The Administration proposal provided that the agency charged with the responsibility for selecting a frequency for Radio Marti would take into consideration the changes in radio broadcasting plans made known at the Rio de Janeiro Regional Conference on Medium Wave (AM) Broadcasting. The intent of this substitute amendment was to encourage the selection of a frequency which would be less likely to encounter interference.

On August 30, 1982, Cuba demonstrated its willingness and ability to overpower radio signals from the United States when it broadcast the Voice of Cuba on AM band frequencies 560, 670, 1040, 1160 and 1380 during a period of 4 hours. Initial reports of the August 30 broadcasts indicate that the Cuban station on 1040 kHz operated with 240,000-250,000 watts.

In order to accommodate concerns over Cuban interference with U.S. commercial AM broadcasting, Committees of both the House of Representatives and the Senate added additional criteria for selecting a frequency on which to broadcast to Cuba.

In revising its draft legislation prior to resubmission in the 98th Congress, the Administration responded to public concern over the frequency selection issue and proposed that radio broadcasting to Cuba could be accomplished by means of leasing, granting or contracting of broadcast time on nongovernment commercial or noncommercial educational stations, or by using the frequency assigned to the Voice of America for its broadcasts to Cuba from facilities at Marathon Key, Florida. The Voice of America broadcasts on AM frequency 1180 kHz have been beamed at Cuba for more than 20 years and receive relatively little interference.

The Committee believes that the frequency selection procedures established in the new bill, coupled with provisions for facility compensation outlined in the amendment to the bill proposed by Senator Hawkins and adopted by the Committee, balance the need to provide coverage in Cuba with the equally important need to protect American broadcasters and their audiences.

FUNDING AUTHORITIES

S. 602 as introduced to the Senate did not include funding authority for implementation of radio broadcasting to Cuba. The Administration request for fiscal years 1983, 1984 and 1985 for the Board for International Broadcasting did include requests of \$8,540,000 for 1983 (the supplemental authorization request), \$9,647,000 for 1984, and \$10,120,000 for 1985 for funding of radio broadcasting to Cuba. The Committee deleted these from S. 1342, the authorization bill for the State Department, Board for International Broadcasting and other agencies, because when S. 1342 was considered by the Committee no authority for Radio Broadcasting to Cuba had yet been established. It is the Chairman's intent at the appropriate time to offer an amendment to S. 1342 restoring funds requested for the Board for International Broadcasting for providing for radio broadcasting to Cuba.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This section provides a short title of the "Radio Broadcasting to Cuba Act."

SECTION 2—ADDITIONAL PURPOSES OF THE BOARD FOR INTERNATIONAL BROADCASTING

This section amends the Board for International Broadcasting Act to state that the Congress finds that radio broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba, in particular information about Cuba itself. This language parallels the existing language relating to broadcasting to the Soviet Union and Eastern Europe by Radio Free Europe and Radio Liberty.

Section 2 also states that radio broadcasting to Cuba, operated in a manner consistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest of the United States.

SECTION 3—ADDITIONAL FUNCTIONS OF THE BOARD FOR INTERNATIONAL BROADCASTING

Section 3 amends the Board for International Broadcasting Act of 1973 to authorize the Board to provide for broadcasting to Cuba by means of grants, leases or contracts (subject to the availability of appropriations) or other such means. The section further provides that radio broadcasting to Cuba shall be a consistently reliable and authoritative source of accurate, objective and comprehensive news.

Moreover, the section provides that any broadcasting in Cuba on the AM frequency band (535 kHz to 1605 kHz) other than that provided through leasing of commercial or noncommercial education radio broadcasting stations shall be limited to the frequency used by the Voice of America at its Marathon, Florida, facilities (i.e., 1180 kHz) and provides that the VOA Marathon facility may be used for the purposes of radio broadcasting to Cuba under the act.

SECTION 4—ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

Section 4 allows any agency or instrumentality of the United States to sell, loan, lease, or grant property, perform services and provide technical support, on a reimbursable basis, to the Board for International Broadcasting to carry out the purposes of the Act.

SECTION 5—MERGING OF BOARDS OF DIRECTORS

This section provides that to receive grants under the Act, the Board of Directors of the Board for International Broadcasting must also be the Board of Directors of any corporation established to provide radio broadcasting to Cuba and that the Board of Directors shall make all major policy determinations concerning the operation of the corporation.

SECTION 6—FACILITY COMPENSATION

This section states, in subsection (a), that it is the intent of Congress that the Secretary of State seek prompt and full settlement of U.S. claims against Cuba that may arise from Cuban interference with broadcasting in the United States, and that pending settlement of such claims, there should be interim assistance to broadcasters adversely affected by Cuban radio interference.

Subsection (b) provides that the Board for International Broadcasting make payments to U.S. radio broadcasting station licensees that apply for expenses incurred or to be incurred in mitigating the effects of Cuban Government activities caused by radio broadcasting to Cuba undertaken to implement the authorities established in the bill that result in direct interference with U.S. broadcasting. The expenses covered under the section shall be limited to costs of equipment (replaced less depreciation) and associated technical and engineering costs.

Subsection (c) provides that not later than 180 days after enactment of the Act, the Board for International Broadcasting shall issue regulations and establish procedures for carrying out the intent of the section.

Subsection (d) authorizes an appropriation to the Board of International Broadcasting of \$5 million for use in compensating U.S. radio broadcasting licensees as provided in subsections (a) and (b). The amount appropriated is to be available until expended.

Subsections (e) and (f) state that authorities for facility compensation established in the bill shall enter into effect beginning in fiscal year 1984 and funds shall be available for a period of no more than 4 years following the initial broadcast of radio broadcasting to Cuba programs.

COST ESTIMATE

Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate requires that committee reports on bills or joint resolutions contain a cost estimate for such legislation in the fiscal year it is reported and in each of the following 5 years. The Congressional Budget Office has prepared the following estimate for S. 602.

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the Committee provides the following estimates of the cost of S. 602, prepared by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 13, 1983.

HON. CHARLES H. PERCY,
Chairman, Foreign Relations Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act, the Congressional Budget Office has prepared the attached cost estimate on S. 602, the Radio Broadcasting to Cuba Act, as ordered reported by the Senate Foreign Relations Committee on February 23, 1983.

Should the Committee so desire, we would be pleased to provide further detail on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

JUNE 13, 1983.

1. Bill number: S. 602.
2. Bill title: Radio Broadcasting to Cuba Act.
3. Bill status: As ordered reported by the Senate Committee on Foreign Relations on February 23, 1983.

4. Bill purpose: This bill amends the Board for International Broadcasting Act of 1973 by authorizing the Board to provide for radio broadcasting to Cuba. The Board may carry out this subsection by means of grants, leases or contracts (subject to the availability of appropriations) or such other means as the Board determines will most effectively carry out the purposes set forth in Section 2 of the Board for International Broadcasting Act.

In addition, this bill authorizes for appropriation to the Board for International Broadcasting the sum of \$5.0 million for fiscal year 1984 for use in compensating United States radio broadcasting licensees who are adversely affected by Cuban radio interference. The Board for International Broadcasting shall make payments to the United States radio broadcasting licensees upon their application for expenses which they have incurred or will incur pursuant to special temporary authority from the FCC.

5. Estimated cost to the Federal Government:

Budget Function 150

Authorization level:

Fiscal year:	Millions
1984 -----	\$5.0
1985 -----	--
1986 -----	--
1987 -----	--
1988 -----	--

Estimated outlays:

Fiscal year:	Millions
1984 -----	2.5
1985 -----	2.5
1986 -----	--
1987 -----	--
1988 -----	--

Basis of estimate.—This assumes enactment of this legislation and subsequent appropriation of the authorized amounts for fiscal year 1984 by September 30, 1983.

The \$5 million fiscal year 1984 Facility Compensation amendment directs the Secretary of State to seek prompt and full settlement of United States claims against the government of Cuba arising from Cuban interference with broadcasting in the United States. Pending authority from the Federal Communications Commission, the Board for International Broadcasting shall make payments to the United States broadcasting station licensees which have incurred or will incur expenses as a result of activities by the government of Cuba which directly interfere with the transmission or reception of broadcasts by these licensees.

The National Association of Broadcasters estimates that in the event that the government of Cuba starts to operate its 500 kilowatt transmitter, over 200 U.S. radio stations will be severely affected. Of these, however only a small percentage would be allowed to increase

their kilowatt power (under FCC regulations) thereby qualifying for compensatory funds. The Federal Communications Commission estimates that approximately 20 broadcasters will be eligible for compensation at an estimated average cost of \$250,00 each. To date approximately 6 broadcasters have made known their intention to file for compensation.

6. Estimated cost to State and local governments: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Carla F. Kruytbosch.
10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

EVALUATION OF REGULATORY IMPACT

In accordance with Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out the provisions of S. 602.

Section 6 may cause the Board for International Broadcasting to issue regulations defining their oversight responsibilities.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

BOARD FOR INTERNATIONAL BROADCASTING ACT OF 1973

* * * * *

DECLARATION OF PURPOSES

SEC. 2. (a) The Congress hereby finds and declares—

(1) that it is the policy of the United States to promote the right of freedom of opinion and expression, including the freedom "to seek, receive, and impart information and ideas through any media and regardless of frontiers," in accordance with article 19 of the Universal Declaration of Human Rights;

(2) that open communication of information and ideas among the peoples of the world contributes to international peace and stability, and that the promotion of such communication is in the interests of the United States;

(3) that Free Europe, Incorporated, and the Radio Liberty Committee, Incorporated (commonly referred to as Radio Free Europe and Radio Liberty), which have now been consolidated into RFE/RL, Incorporated, have demonstrated their effective-

ness in furthering the open communication of information and ideas in Eastern Europe and the Union of Soviet Socialist Republics;

(4) that the continuation of RFE/RL, Incorporated, as an independent broadcast media, operating in a manner not inconsistent with the broad foreign policy objectives of the United States and in accordance with high professional standards, is in the national interest; and

(5) that in order to provide an effective instrumentality for the continuation of assistance to RFE/RL, Incorporated, and to encourage a constructive dialog with the peoples of the Union of Soviet Socialist Republics and Eastern Europe, it is desirable to establish a Board for International Broadcasting.

(b) *The Congress further finds and declares—*

(1) *that, consonant with this policy set out in subsections (a) (1) and (2), radio broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba, in particular information about Cuba; and*

(2) *that such broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest.*

* * * * *

FUNCTIONS

SEC. 4. (a) * * *

(c) *In order to further carry out the purposes set forth in section 2 of this Act, the Board is authorized to provide for the open communication of information and ideas through the use of radio broadcasting to Cuba. The Board may carry out this subsection by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as the Board determines will most effectively carry out the purposes set forth in section 2. With respect to grants to or leases or contracts with a separate entity or other means of carrying out broadcasting to Cuba, the Board shall have the same authorities as those detailed in subsection (a) of this section.*

(d) *Radio broadcasting to Cuba under this Act shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.*

(e) *Any broadcasting to Cuba in accordance with subsections (c) and (d) on the amplitude modulation (AM) band (535 kHz to 1605 kHz), other than that conducted by means of leasing time on commercial or noncommercial educational radio broadcasting stations, shall be limited to the frequency used by the Voice of America for its broadcasts from the facilities located at Marathon, Florida. In the event that broadcasting is conducted on the frequency used by the Voice of America, the Voice of America broadcasting facilities located at Marathon, Florida, may also be used for the purposes of this Act.*

* * * * *

MERGER OF BOARDS OF DIRECTORS

SEC. 11. (a) Effective 60 days after the date of enactment of this section, no grant may be made under this Act to RFE/RL, Incorporated, unless the certificate of incorporation of RFE/RL, Incorporated, has been amended to provide that—

(1) the Board of Directors of RFE/RL, Incorporated, shall consist of the members of the Board for International Broadcasting and of no other members, except that the member of the Board for International Broadcasting who is an ex officio member of that Board because of his or her position as chief operating executive of RFE/RL, Incorporated, may participate in the activities of the Board of Directors but may not vote in the determinations of the Board of Directors; and

(2) such Board of Directors shall make all major policy determinations governing the operation of RFE/RL, Incorporated, and shall appoint and fix the compensation of such managerial officers and employees of RFE/RL, Incorporated, as it deems necessary to carry out the purposes of this Act.

(b) Compliance with the requirement of paragraph (1) of subsection (a) shall not be construed to make RFE/RL, Incorporated, a Federal agency or instrumentality.

(c) *No grant may be made under this Act to Radio Broadcasting to Cuba, Incorporated, or any other corporation established to provide radio broadcasting to Cuba, unless such corporation provides in its certificate of incorporation that—*

(1) the Board of Directors of such corporation shall consist of the members of the Board for International Broadcasting and no other members; and

(2) such Board of Directors shall make all major policy determinations governing the operation of such corporation and shall appoint and fix the compensation of such managerial officers and employees of such corporation as it deems necessary to carry out the purposes of this Act.

Compliance with the requirements of this subsection shall not be construed to make such corporation a Federal agency or instrumentality.

ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

SEC. 12. *In order to assist the Board in carrying out the purposes set forth in section 2 of this Act, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Board. Support and services shall be provided on a reimbursable basis, which reimbursement shall be credited to the appropriation from which the property, support, or service was derived.*

FACILITY COMPENSATION

SEC. 13. (a) *It is the intent of the Congress that the Secretary of State should seek prompt and full settlement of United States claims against the Government of Cuba arising from Cuban interference with broadcasting in the United States. Pending the settlement of these claims, it is appropriate to provide some interim assistance to*

the United States broadcasters who are adversely affected by Cuban radio interference, and who seek to assert their rights to measures to counteract the effects of such interference.

(b) Accordingly, the Board for International Broadcasting shall make payments to the United States radio broadcasting station licensees, upon their application for expenses which they have, incurred or will incur in mitigating pursuant to special temporary authority from the F.C.C. the effects of activities by the Government of Cuba which directly interfere with the transmission or reception of broadcasts by these licensees, such expenses shall be limited to the cost of equipment (replaced less depreciation) and associated technical and engineering costs.

(c) The Board for International Broadcasting shall issue such regulations and establish such procedures for carrying out this section as the Board finds appropriate, such regulations shall be issued no later than 180 days after enactment of this act.

(d) There are authorized to be appropriated to the Board for International broadcasting, five million (\$5,000,000) dollars for use in compensating United States radio broadcasting licensees pursuant to this section. Amounts appropriated under this section are authorized to be available until expended.

(e) Funds appropriated for implementation of this section shall be available for a period of no more than four (4) years following the initial broadcast occurring as a result of programs described in this Act.

(f) This section shall enter into effect October 1, 1984.

MINORITY VIEWS OF MESSRS. PELL, ZORINSKY, TSONGAS, AND CRANSTON

We oppose passage of S. 602. Radio Marti is unnecessary, a waste of tax dollars, is unlikely to be heard, and will have disastrous consequences for the U.S. broadcasting industry. Moreover, Radio Marti will end the present prospects for a negotiated settlement to the long-standing radio interference problem between the United States and Cuba as it becomes another major irritant in the strained U.S.-Cuba relationship.

We oppose Radio Marti, but at the same time strongly affirm the right of the Cuban people to information about their own society. We supported an amendment offered by Senator Zorinsky, as a modification to an amendment by Senator Pell, which would have provided programming on and for Cuba through the expansion of the existing broadcasts of the Voice of America. A separate Cuba Service within the VOA would have provided programs consistent with the VOA's high standards for objectivity, accuracy, and reliability. This expanded VOA programming would have achieved the goals of Radio Marti but would cost considerably less, would avoid a full-scale radio war, and would be much more likely to be heard. It would also have avoided a confrontational step virtually certain to preclude a negotiated settlement of the existing U.S.-Cuba interference problems. Regrettably the amendment, which received support from Republicans and Democrats on the Committee, failed by one vote.

FOREIGN POLICY CONSIDERATIONS

Relations between the United States and Cuba have been in a state of tension for most of the past 25 years. U.S. policy toward Cuba has included an invasion, economic blockade, diplomatic isolation, and assassination attempts on Fidel Castro. Radio Marti represents a continuation of this counter-productive policy. We are concerned that the future is even more foreboding since it was recently reported in the New York Times (May 7, 1983) that the Administration had a list of 40 options, including surgical airstrikes on Cuba transmitters, which could be used should the Cubans respond in retaliation to Radio Marti.

We are concerned, of course, with Cuba's policies in Africa, Central America, and with its role as a major proponent of communism in the Third World. Cuba's policies reinforce its status as a hostile power ninety miles off our shore. A new Cold War type radio station—there have been two covert and overt predecessors to Radio Marti—will not serve to modify Cuba's foreign policy. To the contrary, it is likely to enhance Cuba's perception of threat from the United States, strengthen its resolution to conduct anti-U.S. policies, and further

cement its relationship with the Soviet Union. Radio Marti is viewed by the Cuban Government as a provocative act. The inevitable escalation of tension between the United States and Cuba can only be inimical to U.S. foreign policy objectives of curbing Cuban intervention abroad, especially in the Central American and Caribbean region.

RADIO WAR

The Cubans have made it very clear that if Radio Marti becomes a reality, they will respond by counter-broadcasts on a range of frequencies used by U.S. commercial AM broadcasters. Cuba recently constructed two 500-kilowatt transmitters (10 times the power of any used in the United States) as well as other new transmitters of lesser power. A demonstration of Cuba's capability to use that power in a radio war was given on the evening of August 30, 1982 when Havana's "Voice of Cuba" was heard by millions of Americans. The Cuban broadcasts that evening effectively reduced the listening range of stations such as Des Moines' WHO (1040 kilohertz), Chicago's WMAQ (670 kilohertz), and Salt Lake City's KSL (1160 kilohertz), from a radius of more than 2,000 miles each to radius of 30-40 miles.

The National Association of Broadcasters, and other representatives of American broadcasting, have stated their categorical opposition to Radio Marti as embodied in S. 602. Before the Foreign Relations Committee, broadcasters testified to the catastrophic consequences of the Cuban counter-broadcasts which will result from the establishment of Radio Marti. The broadcasters pointed out that over 200 AM stations in 34 states could be affected. The inevitable radio war will deny millions of Americans access to vitally important sources of news, information, and entertainment. Counter-broadcasts on WHO's 1040 frequency, for example, would wipe out that station's early morning farm programs which provide vital information to farmers throughout the Midwest.

The broadcasters further pointed out that Radio Marti represents federal government abuse of the AM radio broadcast spectrum which is designed to be used exclusively for domestic broadcasting. One of the most telling arguments of the broadcasters was that Radio Marti will close out any prospect that there can be a negotiated resolution of the 15-year-old interference problem between the United States and Cuba. The Cubans have made it known that they are willing to sit down with the United States to negotiate an end to the radio interference problem. At the Committee's last hearing on Radio Marti, we were heartened to hear that the Administration was also interested in negotiating a settlement. We believe, however, along with the broadcasters, that a settlement will not occur if Radio Marti becomes a reality. The Cubans will not come to the table but, to the contrary, a full radio war will result.

The broadcasters also made the point that the compensation provided in the form of an amendment to help stations make technical adjustments to their facilities in order to offset Cuban interference was the bare minimum and in actuality would only be helpful to a small number of stations, principally located in the State of Florida. The

vast majority of stations will not be able to make any adjustments at all.

The broadcast industry representatives estimated that the stations would incur millions of dollars in economic damage from the loss of revenues as a result of a radio war. An NAB sample of 17 stations revealed that the loss of revenue could range from \$50,000 per year for one station to \$10 million per year for another. These are minimum figures. We believe that the broadcasters of America should not be made to bear unilaterally the burden of an unwise, unnecessary foreign policy initiative, and therefore we would support their efforts to receive compensation for the damages that will most certainly be sustained if, despite our opposition, Radio Marti goes on the air. The legislation should be altered to provide fair compensation to those broadcasters affected by the implementation of Radio Marti.

THE COST EFFECTIVENESS OF RADIO MARTI

While S. 602 does not contain a funding authorization for Radio Marti, the Administration has estimated the FY 84 costs at \$9,697,000. According to the proponents this will buy 14 hours of programming—two-thirds of which will be sports, soap operas and other entertainment—and a 50 kilowatt transmitter to be located on the Florida Keys. The transmitter will reach only Western Cuba. An additional transmitter—not included in this bill—is required to reach the more populous Eastern Cuba and would cost \$2 million.

Section 6 of the bill authorizes \$5,000,000 in payments to radio stations making technical adjustments to mitigate the effects of Cuban interference. The Congressional Budget Office estimates that the full cost to broadcasters for technical adjustments will be at least \$40,000,000.

Technical adjustments are only a part of the cost broadcasters will have to pay for Radio Marti. Lost advertising revenue as a result of retaliatory Cuban interference could cost broadcasters more than \$100,000,000.

We believe it would be grossly unfair for the broadcasters to bear costs imposed on them by the Administration's foreign policy agenda and therefore we supported a proposal introduced last year by Senator Tsongas and this year by Senator Biden to provide full compensation to broadcasters for economic loss resulting from Radio Marti. Although the compensation amendment failed on a 7 to 7 vote, we believe these enormous sums will eventually have to be paid by the taxpayers.

These enormous expenditures will buy a radio station which will not be heard. Cuba clearly has the ability and the will to block indefinitely Radio Marti's signal.

Even if Radio Marti were heard, the proposed facility would only reach the Western half of the island. This area is already served by Spanish language radio and television broadcasts from Southern Florida. Many feel the programming and advertisements on these broadcasts more effectively point up the contrast between our economic and political systems than a radio station which would be widely viewed in Cuba as a propaganda exercise.

AN ALTERNATIVE—EXPANDED VOICE OF AMERICA PROGRAMMING

Instead of creating the separate entity of Radio Marti, we supported a proposal initially introduced by Senator Pell and modified by Senator Zorinsky which would have expanded existing VOA programming to Cuba from the present 5½ hours to 14 hours daily. The additional programming would have been devoted to news about Cuba and to programs specially designed for Cuban audiences.

We supported Senator Zorinsky's modification of Senator Pell's original VOA option, which he offered as a compromise as a way to accomplish the objectives of the Radio Marti supporters while still protecting the vital interests of the U.S. broadcasters. Under this compromise, the additional programming would be implemented by an entirely separate "Cuba Service" of the VOA. The Cuba Service would be administered separately from other VOA functions and the Director of the Cuba Service would report directly to the Director of the VOA. The compromise amendment would create a presidentially appointed Board for Radio Broadcasting to Cuba. The Board would advise the Director of the VOA and the Director of the Cuba Service on the programs, broadcasts, and other activities of the Cuba Service. The Board would consist of 15 members, and like the BIB (Board for International Broadcasting which oversees broadcasting by Radio Free Europe and Radio Liberty), there would be a requirement of bipartisanship. It would be intended that the Board include substantial representation from the Cuban community.

Expanded VOA programming under the compromise amendment has enormous advantages over the Radio Marti proposal while accomplishing the substance of it. The cost, according to estimates prepared by VOA, would be less than \$4 million. Furthermore, the Voice of America has tremendous credibility in Cuba. The additional programming would meet the VOA's high standards for objectivity, accuracy, and reliability. In contrast Radio Marti would be considered to be a continuation of earlier U.S. propaganda stations.

One key advantage of expanded VOA programming over the Radio Marti proposal is that such broadcasts will be heard. VOA broadcasts to Cuba are easily heard on the island and have a large listenership, including many high Cuban officials. The VOA has been broadcasting to Cuba for more than twenty years, with no more than minimal jamming, and according to testimony from Wayne Smith, former head of the U.S. Interests Section in Havana, the Cubans would neither jam nor retaliate against expanded VOA programming. This is also confirmed by the comments of Cuban officials. In short, Cuba considers the VOA to be a legitimate instrument of international broadcasting, identical to their views of Radio Havana for their own purposes.

Most important, expanded VOA broadcasts would avert a radio war. The Cubans will not be provoked to retaliate, and in fact the way would be open to negotiate an end to the troublesome radio interference problem. The National Association of Broadcasters, for this reason, strongly supported the compromise amendment to provide broadcasting to Cuba through expanded VOA programming. Unlike Radio Marti, the impact of the VOA option will be on the Cuban listener and not on U.S. broadcasters and listeners.

CONCLUSION

The Radio Marti proposal as embodied in S. 602 is a badly flawed foreign policy tool that will create havoc on the U.S. airwaves and will unnecessarily exacerbate the already strained U.S.-Cuba relationship. The cost to the American taxpayer of Radio Marti will be more than twice that of the VOA plan, not counting, of course, the millions of dollars in damages incurred by private U.S. radio stations.

There are effective ways to provide reliable information to the Cuban people, but Radio Marti clearly is not one of them. For these reasons we oppose S. 602 in its present form and urge the Senate to support the VOA alternative that will be reoffered when S. 602 is considered by the full Senate.

